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7/10/1951

MEMORANDUM FOR: Inspector General

SUBJECT : Interim Report on Recommendations Made During Field Trip

REFERENCE : Memorandum to Deputy Director (Administration) from Inspector General, dated 9 December 1952

1. Thank you for the recommendations regarding administrative problems which were pointed out during your recent trip. I have looked into each of the items and, wherever corrective action by this Office has been possible, I have taken it.

2. The majority of the recommendations made in your memorandum require approval by the Deputy Director (Plans) and the Deputy Director (Intelligence). In order to accomplish this, the Chief of Administration, Deputy Director (Plans), and the Special Assistant, Deputy Director (Intelligence), Administration, have been asked for comments or action, as appropriate, on items specifically their concern. A final report to you awaits their replies.

3. This report is an interim report, dealing with those recommendations which this Office has been able to take up directly. Each is commented upon separately, as follows:

a. Eliminate shipment of household goods - On 5 December 1952 the Director issued [] on the provision of Government quarters overseas. This announced the policy to provide quarters in kind, with utilities, at Agency expense for Agency personnel and their dependents stationed in foreign countries. Quarters provided by the Agency under this policy may be furnished with Agency-procured furniture in areas in which emergency conditions exist, but household goods, [] gross weight, may also be shipped at Government expense. Further action in this matter will await comment by the Deputy Director (Plans).

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b. Abandoning shipment of automobiles - Action and/or comment by the Deputy Director (Plans) and by the Deputy Director (Intelligence).

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c. That we not pay for drivers - Action and/or comment by the Deputy Director (Plans).

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d. Catalog of all special equipment - Action and/or comment by the Deputy Director (Plans).

25X1 e. Lighter agent radio - The program for development of lighter and smaller radio sets has been a continuing one and accounts for a large part of the research effort of the Office of Communications. Progress has been made, as evidenced by the improvement in agents' equipment such as the [] but research effort, of course, is being continued. Individual station chiefs all over the world can obtain the status of such radio development at any time from communication area chiefs, who are kept informed.

25X1 f. Blanket bonds - The question of secure blanket bonds for CIA employees was taken up with a security-cleared contact in the [] [] in 1951. We were advised that:

(1) The provisions of Public Law 110 would not permit bonding companies to execute such a bond with the Agency.

(2) It was very doubtful that any bonding company would undertake to write such a bond.

(3) It would be difficult to handle such a bond without revealing considerable information which the Agency would be unwilling to divulge.

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25X1 As approximately [] in the Agency handle money in one capacity or another, individual bonding is infeasible in all cases, both from the point of security and money savings. Rather, bonded Finance Officers are being sent overseas and made responsible where the amount of funds handled would demand it.

g. Acknowledgement of queries - Action and/or comment by the Deputy Director (Plans) and by the Deputy Director (Intelligence).

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[redacted]

r. [redacted] claim for storage charges - Dispatch [redacted] to the field, dated 30 April 1951, advised [redacted] that he should submit claim supported by receipts for the storage charges.

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Dispatch [redacted] dated 5 July 1951, from [redacted] claimed \$455 for storage but gave no itemization and was not supported by receipts.

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In view of the large amount of claim and lack of substantiation thereof, plus the fact that two similar charges of \$42.99 and \$62.72 had been paid to [redacted] from [redacted] funds, he was advised in a dispatch, dated 23 July 1951, to furnish receipts or other substantiation data to support claim.

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[redacted] replied by dispatch, dated 6 August 1952, that he was returning to Headquarters in February 1953 and would present his claim with appropriate data or explanation at that time.

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s. Quarters claim of [redacted] quarters cost is [redacted] whereas the quarters allowance established by Agency regulations for his grade at his post is \$2,100. Monthly payments @ \$2.100 per annum of quarters allowances are being made to his account at [redacted] per field request contained in [redacted] dated 25 October 1952.

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[redacted] has submitted per diem and travel claims totaling \$1,358.50. These were credited on 1 October 1952 against advances Mr.

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[redacted] had received from the Agency.

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This Office concurs with the action of the FE Division. When special circumstances are neither present nor applicable, the Agency has followed the policy of the Department of State, which considers "quarters allowances" as "incentive allowances" for overseas duty, and "cost of living allowances" as compensation, representing the difference between Washington expenses and the expenses of various overseas stations. When an employee such as [redacted] marries a civilian located overseas, her husband's home overseas is presumed to become her home and she is considered a "local" employee. Hence, she ceases to be entitled to "incentive allowances" for overseas duty, as well as compensation representing the difference between the expenses in Washington and the expenses in [redacted]

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[redacted]

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L. K. WHITE

Assistant Deputy Director
(Administration)

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